

1608/316



CONSIDERATIONS

On the NECESSITY OF

TAXING the ANNUITIES.



(Price Six Pence.)



3
CONSIDERATIONS

On the Necessity of **TAXING** the

A N N U I T I E S

Granted by **P A R L I A M E N T**

In the **R E I G N S** of

King *William*, and Queen *Anne*;

And reducing

One Fifth of the *Capital Stock* of all
Persons possess'd of Five Thousand
Pounds or more in the

SOUTH-SEA COMPANY:

In order to pay off the

N A T I O N A L D E B T,

And *Ease Trade*, and the *Landed Interest*.

*Modus exigendi Tributa legitimus ab æquitate
præscribitur, ne alii sublevantur, alii preman-
tur, & pauperes divitibus æquentur.*

Frid. Windelini Polit. Cap. xxiv.

L O N D O N:

Printed for the **AUTHOR**, and sold by
OLIVE PAYNE, at *Horace's Head* in
Round Court in the *Strand*. 1734.

CONSIDERATIONS



As the 1st of the

ANNUALS

Granted by PARLIAMENT

In the 1st of

King William, and Queen Anne

And the 1st of

One Fifth of the Capital Stock of all
London and the County of Middlesex
Bonds or notes in the

POUNDS COMPANY

In order to pay of the

NATIONAL DEBT

And Bank of England and the Bank of Scotland

It is hereby declared that the said
Bonds and notes shall be taken in
payment of the said National Debt
in the same manner as the said

Printed for the Author, and sold by
OLIVE PAVAN, at the Head in
Rough Lane in the Strand. 1734



CONSIDERATIONS

ON THE

Necessity of TAXING the
ANNUITIES.



SINCE Equality is the solid Basis of all Governments, 'tis not surprizing, that such as vary from it, should be staggering and unsettled ; but that excellent Rule is never more necessary, than when our Fortunes are concern'd; for then the least Attack alarms us : People have often seen an unequal Distribution of Justice, of Favours and Honours, without much Resentment ; but when one Part has been taxed, or compelled to contribute more towards

towards the Support of the Community than the rest, nothing is to be heard but Complaints and Murmuring, which have often been improved into Rebellion and Insurrections, of which there have been many Examples, as well in our Country, as in others ; and I may say in general, that most of our Factions are derived from heavy and unequal Impositions.

It must however be observ'd, that no free People in the World have submitted to such Burdens, with more Chearfulness than the Freeholders and Merchants of *England*, and that for above forty Years ; and it seems the same Disposition was observ'd in the ancient *Britons*, of whom *Tacitus* has left us this Testimony : *De-lictum ac tributa & injuncta Imperii munera impigre obire soliti sunt, si abessent injuriæ* : but the Freeholders of *England* have received no Marks of Distinction to encourage their Virtue ; for tho the landed Interest is the principal Support of the State, and the *dernier Resort*, to use the *French* Phrase, and that it was to the great Sums raised on its Credit, that we
must



must ascribe the suppressing of the Rebellion in 1715; yet the Tax still continues, while the Stockholders and Annuity-tants receive their Dividends and annual Payments without diminution, or any other trouble, except that of walking to the *Exchequer*, the *Bank*, or the *South Sea House*.

A Land Tax amongst the *Romans* was one of their extraordinary Tributes, and was never imposed but in Cases of Extremity; for they look'd upon it as a Mark of Bondage or Slavery, and for that reason it was call'd *Jugatio*, or *Yoking*: nor was there any such Tax known in *England* till the Revolution. There was, indeed, a monthly Assessment in King *Charles* the Second's Reign, but it was of a short Duration; whereas the modern Land Tax has continued above forty Years, and will continue while the Government subsists, except a Law is made for reducing the Stocks, and taxing the Annuities granted in the Reigns of the late King *William* and Queen *Anne*.

It

It has ever been an unalterable Maxim in all wise Governments, to proportion Taxes and Tributes to the Abilities or Circumstances of the People ; for which end, the *Romans* had certain Officers, call'd *Peræquatores*, who were impow-ered to moderate the Taxes, in favour of those who were oppress'd by them ; but no Regard has been had to that excellent Institution in our Country ; for a poor Freeholder of ten Pounds a Year, paid the same Proportion with another of ten thousand Pounds a Year ; and an unhappy Tradesman, whose Stock did not exceed a hundred Pounds in value, and who was struggling to get Bread for a numerous Family, was taxed at four Shillings in the Pound ; at the same time that a Person possess'd of a hundred thousand Pounds Stock, was entirely exempted.

I cannot avoid, on this occasion, making some Reflections upon the unaccountable Perverseness of some People, under the Government of the *Stuarts*, before
the

the Revolution, on the score of heavy Taxes. But were we to attempt a Comparison between their Number and Quality at that time, and their present State, we must be amazed at the Disproportion; for there is now such a long Train of Duties, Subsidies, Aids, and Impositions, that the knowledge of them may well furnish Matter enough for a new Science, which, in my Opinion, should be taught in the Schools, that our Youth may be inspired with the Sentiments of a dutiful Remembrance of their Fathers. There is, besides, something harmonious and musical in the new invented Terms of *Surplusses, Sinking, Aggregate, and General Funds, &c.*

But notwithstanding the Clamours against the Administration of *Charles II.* and his Brother, on account of Taxes; yet 'tis certain there was not the least Foundation for a Charge of that Kind. The only Imposition that created Uneasi-

ness, was the Hearth-Money, which was a trifling Imposition; tho it was afterwards represented as a very grievous one in the Act of Parliament that abolished it; but the Secret of that Management is pretty well known at this time; and as the Preamble to the Act is very curious, and pertinent to the present State of Affairs, I thought proper to entertain the Reader with it.

Anno primo Gulielmi & Mariae.

“ Whereas his Majesty having been
 “ informed that the Revenue of Hearth-
 “ Money was grievous to the People, was
 “ pleased, by his gracious Message sent
 “ to the Commons assembled in Parlia-
 “ ment, to signify his Pleasure, either to
 “ agree to a Regulation of it, or to the
 “ taking it wholly away, as should be
 “ thought most convenient by the said
 “ Commons: And whereas, upon ma-
 “ ture Deliberation, the said Commons
 “ do

" do find that the said Revenue cannot
 " be regulated, but that it will occasion
 " many Difficulties and Questions, and
 " that it is in itself not only a great Op-
 " pression to the poorer Sort, but a Badge
 " of Slavery upon the whole People, ex-
 " posing every Man's House to be en-
 " ter'd into by Persons unknown to him.
 " We your Majesty's most dutiful, &c.
 " being fill'd with a most humble and
 " grateful Sense of your Majesty's un-
 " parallell'd Grace and Favour to your
 " People, not only by restoring their
 " Rights and Liberties, but in desiring
 " to make them happy, and at ease, by
 " taking away such Burdens as were by
 " Law fix'd upon them ; by which your
 " Majesty will erect a lasting Monument
 " of your Goodness in every House in the
 " Kingdom ; do beseech your Majesty
 " that the said Revenue may be taken a-
 " way, &c."

Amongst other useful Reflections which may be made upon this valuable Piece, it gives us the Idea the Parliament had at that time of the People's Liberty, which they thought invaded by the Collectors entring their Houses; and tho that was then look'd upon as a *Badge of Slavery*, yet the same Power is established by the Act called *The Druggists Act*, or *The Coffee and Tea Act*; and was intended to have been renewed by the Excise Bill.

But let us return to our Subject, and take a View of the Sufferings of the Freeholders of *Great Britain*, since that Period, and I believe it can be easily demonstrated, that they have contributed more towards the Expences of the two last Wars, than was ever known in any Country in the World; for I am thoroughly persuaded, that after deducting four Shillings in the Pound for the Land Tax,

Tax, Losses by insolvent Tenants, Reparations, the Assessments for the Militia, and the Payment of Parochial Duties, their clear Income in most Counties would not exceed seven Shillings and six Pence in the Pound ; which, indeed, exterminated nine Parts in ten, of all the Gentlemen of middling Estates. Nor was the fair Trader's Fate much better, for so many additional Duties have, from time to time, been laid upon all foreign Commodities, that their Gain could not exceed Five *per Cent* ; which is but too notorious by the frequent Bankruptcies of most of the eminent Merchants in the Kingdom ; while a Set of Jobbers, Pedlars, and Dealers in Stocks, have acquired immense Fortunes, raised magnificent Country Palaces, and divide the Spoils of those oppressed Freeholders and unfortunate Traders.

It might well be expected, that People who parted with one fifth part of their
Income

Income towards defraying the Expences of two long Wars, should be exempted in time of Peace ; and that the Monsters, who were enriched by exorbitant Premiums, Annuities, and Dividends, should be compell'd to bear some Share of the public Calamity.

Since a just and equal Distribution of Rewards is one of the principal Hinges of Government, let us consider whether the Freeholder and fair Trader, or the Stock - Mongers and Annuitants, have the best Right to the Favour and Indulgence of the State. The Freeholder, for a long Series of Years, contributed the greatest part of his Fortune towards the Charges of a War abroad, and the Support of the Militia at home ; lived hospitably amongst his Neighbours, and was useful to Mankind in all the relations of Life. The Merchant has no less Claim to Merit in his Station ; he exports the Produce and Manufactures of his Country,

try, and brings home Money, Bullion, or some other useful Commodity. But behold the Annuitant, or Stock-holder! He lends his Money upon the most unequal and extravagant Terms, takes all Advantages of the Calamities and Distresses of his Country, he's in such Obscurity, that he is only known by the Star prefixed to his Name, in the Lists of Proprietors in the great Companies; receives large Dividends or Annuities without being obliged to pay one Farthing towards the Exigencies of the Public; or to bear any of those Offices which are so necessary for the Preservation of Society, and is nothing but *Telluris inutile pondus*.

For these Reasons the Dealers in the Funds have the least Title in the World to an Exemption from Taxes, or to the Favour of the Government; and nothing can be more just, than to tax the Annuitants at all rates of Interest above

Four

Four *per Cent.* on the Foot of the Land Tax, and to reduce the Capital of all those Stock-holders who are possess'd of five thousand Pounds Stock, or upwards, in the Bank or *South Sea-Company*, one fifth, since it will be impossible to get rid of the unsupportable Debt under which the Nation is groaning, without some Scheme of that kind ; for notwithstanding all the Struggles and Contrivances of the Executive, as well as the Legislative Powers for that purpose, since the Death of the late Queen ; yet have they been so far from being effectual, that the Debt has been enhanced since her Decease, above five Millions, for it did not then exceed forty five Millions, whereas it is now above fifty ; and as we must always expect to be engaged in some Quarrel or other abroad, considering the multitude of Alliances we have enter'd into with foreign Powers, we must reasonably imagine the Load will still

still more grievous, and, in time, become wholly unmanageable.

There are so many Arguments for a Scheme of this Tendency, that it will be impossible to comprize them within the Compass of this short Essay ; I will therefore confine myself to such as are most obvious, and least obnoxious to Cavils.

It is a fundamental Maxim in all well regulated Governments, to be prepared for War, in time of Peace ; according to that of *Cassiodorus*, *Qui desiderat Pacem, præparat Bellum*. It was for this Reason that the Antients represented *Minerva*, the Goddess of Wisdom, in Armour, to signify that 'tis prudent to be always in a State of Defense : but let us now consider whether this excellent Rule will not be impracticable, in *Great Britain*, while our Funds are all mortgaged, or anticipated. For, in case of a

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War,

War, what Expedient can be thought of, to answer its Exigencies, except the Land Tax, or Malt Duty, are subjected to Annuities or Anticipations; for all the other Funds are already in that melancholy State? And since the Case is so desperate, that the very Preservation of the Government depends upon our immediate discharging the public Debts, as the only Method that can enable us to defray the Expences of a new War, and oppose the Attempts that may be made upon us from abroad; it will neither be unjust, or arbitrary, to have recourse to such a Plan as is before proposed; and especially when we consider, that none can be affected by it, but such as have amass'd their Fortunes upon the Wants of the Public, or such as can well dispense with a small Diminution of their Capitals in the Funds; as has frequently been practised in other Nations upon the like Emergencies.

After

After the Peace of *Ryswick*, the *French* not only reduced the Interest on all public Securities, but made the Proprietors accountable for the Surplusses they had received above that Rate, during the War.

All Bills bought and sold within that Period, were reduced to their supposed current Price.

All Securities for any Goods or Commodities sold to the Government during the War, were reduced to their current Values, at the respective times of Sale.

To this, they added a considerable Tax on all those, who, during the Calamities of the War, had enriched themselves by unreasonable or exorbitant Profits, at the Expence of the Public; and tho I would not choose *France* for a

Pattern in some Topicks of Government, yet in this, I think, she proceeded with the nicest Regard to Equity, and the public Good ; since all Mankind will concur in this, that Extortioners should be compell'd to Restitution ; and, especially, when the Fruits of it are applied towards relieving the Calamities of the People : For, as all human Actions are measured by their End or Consequences ; so, the same Proceeding, that is at one time cruel and arbitrary, may, at another time, be just and salutary. Should a Prince or State reduce People's Properties, to gratify Ambition, Prejudice, or any inordinate Passion, nothing could be more tyrannical ? But when any Thing of that Kind is attempted, to bring the overgrown Usurers and Extortioners of the State to Justice, by squeezing some of their unjust Possessions out of them, for the Relief of the Oppressed ; Possessions which were founded in the Miseries of their Country, or the

the Wants and Necessities of the Poor and the Indigent; then, I say, such a Conduct is laudable, and worthy of Imitation, whether it be practised in *France*, or any other Country. And though there are no People more jealous of their Freedom, than our Neighbours the *Hollanders*, yet the States thought it for the public Good, about twenty Years ago, to reduce the Annuities of four and a half *per Centum*, to two and a half, as the only Expedient that could give them any Hopes of discharging their Debts.

Was it not by Exorbitances and Extortions, that a great Number of the Citizens of *London* have heap'd together such incredible Riches, as have not been known in any Country in the World? How often have these Miscreants purchased Navy and Victualling-Bills, Seamens Tickets, and other public Securities, at no less than twenty, thirty,

thirty, forty, fifty, sixty, and seventy Pounds *per Cent.* discount? Was it not to these Excesses that your *Heathcot's*, your *Hopkins's*, your *Cole*———*k's*, your *Ho*———*'s*, and your *W*———*'s*, ow'd their immense Treasures? For I believe it will be readily granted, that the fair Merchant could gain nothing by Trade, for these last forty Years. On the whole, as the Extortioners of the Public are its most pernicious Enemies, so, I think, there can be no Severity adequate to their Enormities; and that, in lieu of a moderate Reduction, which is all that is contended for, there is not a State in *Europe*, except *England* alone, where they would not have been stript of all their vile Acquisitions, and, perhaps, exposed to the Rigour of Tribunals of Justice; for, by the Imperial Law, *Coaccession*, or *Extortion*, is a capital Offence.

Amongst

Amongst many other Motives for a Reduction, in order to pay off the public Debts, the Re-establishment of our Credit and Reputation in foreign Countries, claims the first Rank ; for while we are sinking under a Load of Debts, we shall never be in any Esteem with our Neighbours ; and I am persuaded, that alone has been the principal Source of the many Affronts and Indignities we have received for several Years from the *Spaniards*, and some other Potentates, who are, no doubt, but too well apprized of our Debts. They very reasonably conclude, that while we are struggling to bring our present Load under some Regulations, we shall not venture to take any Steps to enhance our Calamity.

The chief Objection against this Scheme, consists in a Notion, that it breaks in upon Parliamentary Credit ;
for

for, say the *Fund-mongers*, we supplied the Government in dangerous Times, and purchased the several Branches of the Revenue at different Rates, and they are declared to be Tax-free by Parliament.

But allowing the Annuities and Funds were declared to be free from Taxes, yet since it is too apparent that the Safety of the Nation cannot be established without the Discharge of the public Debt, such a Reduction as is proposed can give no Blow to Parliamentary Faith; for *Salus Populi suprema Lex*; which will be an immutable Law in all the Governments upon Earth; and I am so far from thinking such a Proceeding to be incompatible with the Honour of Parliaments, or the Laws of the Land, that, on the contrary, they are under an irrefragable Obligation, as Guardians of the whole collective Body, to put every Design in execution, that
may

may tend towards their Preservation, though some Individuals may be affected by it, and even supposing them to be entituled to all the highest Favours. And this is not only agreeable to right Reason, but to the constant Practice of all the Nations in the World; and such a Scheme is still more justifiable, when we consider that the Persons who are to be subjected to it, are possess'd of immense Riches. And as to their Merit of parting with their Money to the Government, in Times of Danger, nothing can be more absurd; for whatever their Pretences may be, 'tis very certain, that the exorbitant Annuities, the excessive Premiums upon prompt Payments at the Bank or the Exchequer, upon Clauses of Credit, were the true Motives: For had those pretended Patriots been inspired with a sincere Desire of assisting their Country when it was threaten'd with Invasions, or other Dan-

D

gers,

gers, they would have imitated the brave *Romans*, who, instead of bargaining with the State to obtain extravagant Terms for advancing their Money, when *Hannibal* was at the Gates of their City, were contending who should be the first to contribute most for the Defence of the Commonwealth. If our Annuitants and Stock-Mongers had been actuated by the visible and exalted Sentiments of those renowned People, they might then, indeed, have made fair Pretences to Merit and Rewards; but so ravenous were they for Gain, that they not only distressed the Government, but likewise *devoured the Needy*, and ground the Faces of the Poor.

But it would never be imagin'd that the Words which declar'd the Funds to be free from Taxes, should extend further than to the Continuance of the War; for all Laws are to be interpreted

ed in the most equitable Sense: and surely no Law can be made for oppressing the most useful Part of the Community, in favour of the worst, and the most unprofitable; for that, in truth, will be the Case, if the Freeholder and Trader, who, I may say, are the Vitals of the State, must be constantly harrafs'd to enrich those who live in foreign Countries, or are wallowing in Riches in our own.

It is granted, indeed, that no such benign Interpretation, as is now contended for, has yet been made by Parliament; which we must impute either to Oversight, or something worse. 'Tis true, they are not exempted from Error, of which there is a glaring Instance still recent; that is the Case of the late Duke of *Queensberry* and *Dover*, who sat in the House of Peers; by virtue of the latter Title, for several Years after the Union, though it was the O-

pinion of that House, in the Affair of the late Duke *Hamilton*, that no *Scots* Peer could be created a Peer of *England*.

There was another Mistake in the Interpretation of the Corporation Act, which was not discover'd till the time of the celebrated Controversy between two venerable * Prelates, who are now in the closest Bands of Amity, and are not only shining Ornaments of the August Assembly of which they are political Members, but of the Christian Church likewise.

By the Words of some of the Articles of the Union, the *Scots* imagined that their Country should not be chargeable with several Taxes payable in *England* before that Period ; and I am per-

* Dr. Hoadley and Dr. Sherlock.

suaded the *North-Britons* thought they had made a good Bargain, by charging the *English* with the whole Burden. But they were soon undeceived; for no sooner was the War ended, but they were loaded with their Proportion of the Land-Tax, and with the Malt Duty in 1725. nor are any Laws to be construed, so as to produce pernicious or unreasonable Consequences.

The great Number of Annuitants and Stock-holders is another pompous Objection which is much magnified; but I hope our Condition is not so desperate, as to be frighten'd into Acts of Oppression and Partiality by Numbers. The Rule is, *Fiat Justitia, ruat Cælum*. Whatever the Consequences may be, there is an invincible Necessity for a Reduction; and I believe it will be found, upon a modest Computation, that the whole Number of the Dealers in the Funds does not exceed twenty Thousand,

land, which bears no proportion to the People of *Great Britain*, which is reckon'd to be near nine Millions. And here I think proper to observe, that of those twenty Thousand, one third are Foreigners, who, no doubt, should receive an equal Measure of Justice with our own Inhabitants, in this Reduction ; and though it may be suggested, that this will discourage them for the future, from placing their Money in our Funds, I own frankly, I am of Opinion, that would tend to the Benefit of *Great Britain* ; since those People carry away a great deal of our Wealth, which never circulates afterwards in Commerce, so as to be of any Advantage to us, in regard there is no Trade or Exchange between us and them, particularly the *Swiss* and *Grisons*, who have above a Million Sterling in our Stocks ; and, indeed, I think the Condition of *Great Britain* to be very dangerous, if she cannot

not subfist without foreign Money, and foreign Armies.

On the whole, as this Scheme is agreeable to natural Justice and Equity, and will only affect a few Monsters in Wealth, so will it relieve the unhappy Freeholders and Merchants of *Great Britain*, who have been oppress'd for above forty Years: It will ease Trade, and consequently increase the Customs; it will pave the Way for our speedy discharging the National Debt, which will re-establish our Credit Abroad, and put the Balance of *Europe* once more into our Hands.



F I N I S.

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